

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

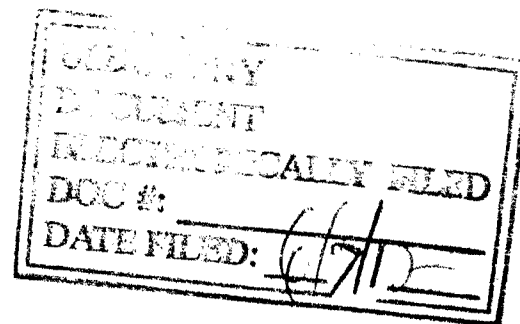
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SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff,

-v-

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.



12 MC 115 (JSR)

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In re:

MADOFF SECURITIES  
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PERTAINS TO:

Picard v. Richard Karyo, 11 Civ. 8947 :  
(JSR) :

----- X  
JED S. RAKOFF, U.S.D.J.

ORDER

Richard Karyo has moved to withdraw the reference to the Bankruptcy Court of the adversarial proceeding brought against him by Irving H. Picard ("the Trustee"), the trustee appointed to liquidate the estate of Bernard L. Madoff Investment Securities, LLC pursuant to the Securities Investor Protection Act, 15 U.S.C. § 78aaa et seq. One of the Court's previous orders has resolved the primary issue raised by Karyo's motion. See Order Regarding Antecedent Debt dated May 12, 2012. The Court directs the parties to continue according to the procedures outlined in that order. Karyo also raises an issue on which

the Court has previously declined to withdraw the reference: whether 15 U.S.C. § 78fff-2(c)(3) prohibits the Trustee from bringing avoidance actions because he has, according to Karyo, already recovered funds sufficient to pay all of the customer claims that he has allowed. See Picard v. Flinn Inv., LLC, 463 B.R. 280, 283-84 (S.D.N.Y. 2011). For the reasons stated in Flinn, the Court denies the Karyo's motion to withdraw the reference on this issue. The Clerk of the Court is hereby ordered to close item number 1 on the docket of 11 Civ. 8947.

SO ORDERED.

A handwritten signature in black ink, appearing to read "J. S. Rakoff", is written over a horizontal line.

JED S. RAKOFF, U.S.D.J.

Dated: New York, New York

June 6, 2012